## 2266-S.E AMS JUD S2868.3

## ESHB 2266 - S COMM AMD By Committee on Judiciary

- 1 Strike everything after the enacting clause and insert the 2 following:
- "NEW SECTION. Sec. 1. Restricting access to certain precursor drugs used to manufacture methamphetamine to ensure that they are only sold at retail to individuals who will use them for legitimate purposes upon production of proper identification is an essential step to controlling the manufacture of methamphetamine.
- 8 <u>NEW SECTION.</u> **Sec. 2.** A new section is added to chapter 69.43 RCW 9 to read as follows:
  - (1) For purposes of this section, "traditional Chinese herbal practitioner" means a person who is certified as a diplomate in Chinese herbology from the national certification commission for acupuncture and oriental medicine or who has received a certificate in Chinese herbology from a school accredited by the accreditation council on acupuncture and oriental medicine.
  - (2) A pharmacy licensed by, or shopkeeper or itinerant vendor registered with, the department of health under chapter 18.64 RCW, or an employee thereof, a practitioner as defined in RCW 18.64.011, or a traditional Chinese herbal practitioner may not knowingly sell, transfer, or otherwise furnish to any person a product at retail that he or she knows to contain any detectable quantity of ephedrine, pseudoephedrine, or phenylpropanolamine, or their salts, isomers, or salts of isomers, without first obtaining photo identification of the person that shows the date of birth of the person.
  - (3) A person buying or receiving a product at retail containing any detectable quantity of ephedrine, pseudoephedrine, or phenylpropanolamine, or their salts, isomers, or salts of isomers, from a pharmacy licensed by, or shopkeeper or itinerant vendor registered with, the department of health under chapter 18.64 RCW, or an employee

thereof, a practitioner as defined in RCW 18.64.011, or a traditional Chinese herbal practitioner must first produce photo identification of the person that shows the date of birth of the person.

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- (4) Any product containing any detectable quantity of ephedrine, pseudoephedrine, or phenylpropanolamine, or their salts, isomers, or salts of isomers, shall be kept in a location that is not accessible by customers without assistance of an employee of the merchant.
- (5) No pharmacy licensed by, or shopkeeper or itinerant vendor registered with, the department of health under chapter 18.64 RCW, or an employee thereof, a practitioner as defined in RCW 18.64.011, or a traditional Chinese herbal practitioner may sell any product containing any detectable quantity of ephedrine, pseudoephedrine, or phenylpropanolamine, or their salts, isomers, or salts of isomers, to a person that is not at least eighteen years old.
- (6) The board of pharmacy, by rule, may exempt products containing ephedrine, pseudoephedrine, or phenylpropanolamine, or their salts, isomers, or salts of isomers, in combination with another active ingredient from the requirements of this section if they are found not to be used in the illegal manufacture of methamphetamine or other controlled dangerous substances. A manufacturer of a drug product may apply for removal of the product from the requirements of this section if the product is determined by the board to have been formulated in such a way as to effectively prevent the conversion of the active ingredient into methamphetamine. The burden of proof for exemption is upon the person requesting the exemption. The petitioner shall provide the board with evidence that the product has been formulated in such a way as to serve as an effective general deterrent to the conversion of pseudoephedrine into methamphetamine. The evidence must include the furnishing of a valid scientific study, conducted by an independent, professional laboratory and evincing professional quality chemical Factors to be considered in whether a product should be excluded from this section include but are not limited to:
- (a) Ease with which the product can be converted to methamphetamine;
- 35 (b) Ease with which ephedrine, pseudoephedrine, or 36 phenylpropanolamine is extracted from the substance and whether it 37 forms an emulsion, salt, or other form;

- 1 (c) Whether the product contains a "molecular lock" that renders it incapable of being converted into methamphetamine;
  - (d) Presence of other ingredients that render the product less likely to be used in the manufacture of methamphetamine; and
  - (e) Any pertinent data that can be used to determine the risk of the substance being used in the illegal manufacture of methamphetamine or any other controlled substance.
    - (7) Nothing in this section applies:

- 9 (a) To the sale of a product that may only be sold upon the 10 presentation of a prescription;
  - (b) To the sale of a product by a traditional Chinese herbal practitioner to a patient; or
  - (c) When the details of the transaction are recorded in a pharmacy profile individually identified with the recipient and maintained by a licensed pharmacy.
  - (8)(a) No pharmacy licensed by, or shopkeeper or itinerant vendor registered with, the department of health under chapter 18.64 RCW, a practitioner as defined in RCW 18.64.011, or a traditional Chinese herbal practitioner may retaliate against any employee that has made a good faith attempt to comply with the requirements of this section by requesting that a customer present photo identification, making a reasonable effort to determine the customer's age, and documenting the transaction in the written or electronic log.
  - (b) No pharmacy licensed by, or shopkeeper or itinerant vendor registered with, the department of health under chapter 18.64 RCW, a practitioner as defined in RCW 18.64.011, or a traditional Chinese herbal practitioner is subject to prosecution under subsection (9) of this section if they made a good faith attempt to comply with the requirements of this section by requesting that a customer present photo identification, making a reasonable effort to determine the customer's age, and documenting the transaction in the written or electronic log.
  - (9) A violation of subsection (2) of this section by any employee of a pharmacy, shopkeeper, itinerant vendor, practitioner, or traditional Chinese herbal practitioner is a class 3 civil infraction.
- 36 (10) Any violation of this section by a pharmacy, shopkeeper, 37 itinerant vendor, practitioner, or traditional Chinese herbal 38 practitioner is a gross misdemeanor.

NEW SECTION. Sec. 3. A new section is added to chapter 69.43 RCW to read as follows:

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- (1) A pharmacy licensed by, or a shopkeeper or itinerant vendor registered with, the department of health under chapter 18.64 RCW, or an employee thereof, a practitioner as defined in RCW 18.64.011, or a traditional Chinese herbal practitioner shall not knowingly sell, transfer, or otherwise furnish to any person a product that he or she knows to contain any detectable quantity of ephedrine, pseudoephedrine, or phenylpropanolamine, or their salts, isomers, or salts of isomers without documenting the transaction using one of the following:
- (a) Have the person sign a written or electronic log or receipt showing the date of the transaction, the name of the person, and the amount of the product being sold, transferred, or otherwise furnished; or
- 15 (b) Make a record of the transaction with video tape or any other 16 medium used to electronically record images.
  - (2) Written and electronic logs or receipts obtained under subsection (1)(a) of this section shall be maintained for a period of two years from the date of the transaction.
  - (3) Video tape and electronic images obtained under subsection (1)(b) of this section shall be maintained for a minimum of thirty days from the date of the transaction.
- (4) A violation of subsection (1) of this section by any employee of a pharmacy, shopkeeper, itinerant vendor, practitioner, or traditional Chinese herbal practitioner is guilty of a class 3 civil infraction.
- 27 (5) A violation of this section by a pharmacy, shopkeeper, 28 itinerant vendor, practitioner, or traditional Chinese herbal 29 practitioner is a gross misdemeanor.
- NEW SECTION. Sec. 4. A new section is added to chapter 69.43 RCW to read as follows:
- 32 (1) The records required by section 3 of this act are for the 33 confidential use of the pharmacy, shopkeeper, or itinerant vendor, 34 except that:
- 35 (a) Every pharmacy, shopkeeper, or itinerant vendor shall produce 36 the records in court whenever lawfully required to do so;

- 1 (b) The records shall be open for inspection by the board of 2 pharmacy; and
- 3 (c) The records shall be open for inspection by any general or 4 limited authority Washington peace officer to enforce the provisions of 5 this chapter.
  - (2) A person violating this section is guilty of a misdemeanor.
- NEW SECTION. Sec. 5. A new section is added to chapter 69.43 RCW to read as follows:

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- (1) At least quarterly, every pharmacy licensed by, or shopkeeper, or itinerant vendor registered with the department of health under chapter 18.64 RCW, a practitioner as defined in RCW 18.64.011, or traditional Chinese herbal practitioner, shall transmit all logs required by section 3 of this act to the local general authority Washington law enforcement agency with jurisdiction.
- (2) The local law enforcement agency shall forward all of the logs to the Washington state patrol. It shall be the duty of the Washington state patrol to enter all log entries into a statewide data base of purchasers of ephedrine, pseudoephedrine, or phenylpropanolamine.
- 19 (3) Any law enforcement agency may request a search of the data 20 base to enforce the provisions of this chapter.
- 21 **Sec. 6.** RCW 69.43.110 and 2004 c 52 s 5 are each amended to read 22 as follows:
  - (1) It is unlawful for a pharmacy licensed by, or shopkeeper or itinerant vendor registered with, the department of health under chapter 18.64 RCW, or an employee thereof, or a practitioner as defined in RCW 18.64.011, knowingly to sell, transfer, or to otherwise furnish, in a single transaction:
- (a) More than ((three)) two packages of one or more products that he or she knows to contain ephedrine, pseudoephedrine, or phenylpropanolamine, their salts, isomers, or salts of isomers; or
- 31 (b) A single package of any product that he or she knows to contain 32 more than three grams of ephedrine, pseudoephedrine, or 33 phenylpropanolamine, their salts, isomers, or salts of isomers, or a 34 combination of any of these substances.
- 35 (2) It is unlawful for a person who is not a manufacturer, 36 wholesaler, pharmacy, practitioner, shopkeeper, or itinerant vendor

- licensed by or registered with the department of health under chapter 18.64 RCW to purchase or acquire, in any twenty-four hour period, more than the quantities of the substances specified in subsection (1) of this section.
  - (3) It is unlawful for any person to sell or distribute any of the substances specified in subsection (1) of this section unless the person is licensed by or registered with the department of health under chapter 18.64 RCW, or is a practitioner as defined in RCW 18.64.011.
    - (4) A violation of this section is a gross misdemeanor.

- **Sec. 7.** RCW 69.43.120 and 2001 c 96 s 10 are each amended to read 11 as follows:
  - (1) Any person who possesses more than ((fifteen)) ten grams of ephedrine, pseudoephedrine, or phenylpropanolamine, their salts, isomers, or salts of isomers, or a combination of any of those substances, is guilty of a gross misdemeanor.
    - (2) This section does not apply to any of the following:
  - (a) A pharmacist or other authorized person who sells or furnishes ephedrine, pseudoephedrine, or phenylpropanolamine, their salts, isomers, or salts of isomers upon the prescription of a practitioner, as defined in RCW 69.41.010;
  - (b) A practitioner who administers or furnishes ephedrine, pseudoephedrine, or phenylpropanolamine, their salts, isomers, or salts of isomers to his or her patients;
  - (c) A pharmacy, manufacturer, or wholesaler licensed by, or shopkeeper or itinerant vendor registered with, the department of health under chapter 18.64 RCW;
  - (d) A person in the course of his or her business of selling, transporting, or storing ephedrine, pseudoephedrine, or phenylpropanolamine, their salts, isomers, or salts of isomers, for a person described in (a), (b), or (c) of this subsection; or
  - (e) A person in possession of more than ((fifteen)) ten grams of ephedrine, pseudoephedrine, or phenylpropanolamine, their salts, isomers, or salts of isomers in their home or residence under circumstances consistent with typical medicinal or household use as indicated by, but not limited to, storage location and possession of products in a variety of strengths, brands, types, purposes, and expiration dates.

Sec. 8. RCW 18.64.044 and 2004 c 52 s 2 are each amended to read as follows:

- (1) A shopkeeper registered as provided in this section may sell nonprescription drugs, if such drugs are sold in the original package of the manufacturer.
- (2) Every shopkeeper not a licensed pharmacist, desiring to secure the benefits and privileges of this section, is hereby required to register as a shopkeeper through the master license system, and he or she shall pay the fee determined by the secretary for registration, and on a date to be determined by the secretary thereafter the fee determined by the secretary for renewal of the registration; and shall at all times keep said registration or the current renewal thereof conspicuously exposed in the location to which it applies. In event such shopkeeper's registration is not renewed by the master license expiration date, no renewal or new registration shall be issued except upon payment of the registration renewal fee and the master license delinquency fee under chapter 19.02 RCW. This registration fee shall not authorize the sale of legend drugs or controlled substances.
- (3) The registration fees determined by the secretary under subsection (2) of this section shall not exceed the cost of registering the shopkeeper.
- (4) Any shopkeeper who shall vend or sell, or offer to sell to the public any such nonprescription drug or preparation without having registered to do so as provided in this section, shall be guilty of a misdemeanor and each sale or offer to sell shall constitute a separate offense.
- (5) A shopkeeper who is not a licensed pharmacy may purchase products containing any detectable quantity of ephedrine, pseudoephedrine, or phenylpropanolamine, or their salts, isomers, or salts of isomers, only from a wholesaler licensed by the department under RCW 18.64.046 or from a manufacturer licensed by the department under RCW 18.64.045. The board shall issue a warning to a shopkeeper who violates this subsection, and may suspend or revoke the registration of the shopkeeper for a subsequent violation.
- 35 (6) A shopkeeper who has purchased <u>products containing any</u>
  36 <u>detectable quantity of</u> ephedrine, pseudoephedrine, or
  37 phenylpropanolamine, or their salts, isomers, or salts of isomers, in

a suspicious transaction as defined in RCW 69.43.035, is subject to the following requirements:

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- (a) The shopkeeper may not sell any quantity of ephedrine, pseudoephedrine, or phenylpropanolamine, or their salts, isomers, or salts of isomers, if the total monthly sales of these products exceed ten percent of the shopkeeper's total prior monthly sales of nonprescription drugs in March through October. In November through February, the shopkeeper may not sell any quantity of ephedrine, pseudoephedrine, or phenylpropanolamine, or their salts, isomers, or salts of isomers, if the total monthly sales of these products exceed twenty percent of the shopkeeper's total prior monthly sales of nonprescription drugs. For purposes of this section, "monthly sales" means total dollars paid by buyers. The board may suspend or revoke the registration of a shopkeeper who violates this subsection.
- (b) The shopkeeper shall maintain inventory records of the receipt and disposition of nonprescription drugs, utilizing existing inventory controls if an auditor or investigator can determine compliance with (a) of this subsection, and otherwise in the form and manner required by the board. The records must be available for inspection by the board or any law enforcement agency and must be maintained for two years. The board may suspend or revoke the registration of a shopkeeper who violates this subsection. For purposes of this subsection, "disposition" means the return of product to the wholesaler or distributor.

## Sec. 9. RCW 18.64.046 and 2004 c 52 s 3 are each amended to read as follows:

(1) The owner of each place of business which sells legend drugs and nonprescription drugs, or nonprescription drugs at wholesale shall pay a license fee to be determined by the secretary, and thereafter, on or before a date to be determined by the secretary as provided in RCW 43.70.250 and 43.70.280, a like fee to be determined by the secretary, for which the owner shall receive a license of location from the department, which shall entitle such owner to either sell legend drugs and nonprescription drugs or nonprescription drugs at wholesale at the location specified for the period ending on a date to be determined by the secretary, and each such owner shall at the time of payment of such fee file with the department, on a blank therefor provided, a

declaration of ownership and location, which declaration of ownership and location so filed as aforesaid shall be deemed presumptive evidence of the ownership of such place of business mentioned therein. It shall be the duty of the owner to notify immediately the department of any change of location and ownership and to keep the license of location or the renewal thereof properly exhibited in such place of business.

- (2) Failure to conform with this section is a misdemeanor, and each day that the failure continues is a separate offense.
- (3) In event the license fee remains unpaid on the date due, no renewal or new license shall be issued except upon compliance with administrative procedures, administrative requirements, and fees determined as provided in RCW 43.70.250 and 43.70.280.
- (4) No wholesaler may sell any quantity of drug products containing ephedrine, pseudoephedrine, phenylpropanolamine, or their salts, isomers, or salts of isomers, if the total monthly sales of these products to persons within the state of Washington exceed five percent of the wholesaler's total prior monthly sales of nonprescription drugs to persons within the state in March through October. In November through February, no wholesaler may sell any quantity of drug products containing ephedrine, pseudoephedrine, or phenylpropanolamine, or their salts, isomers, or salts of isomers if the total monthly sales of these products to persons within the state of Washington exceed ten percent of the wholesaler's total prior monthly sales of nonprescription drugs to persons within the state. For purposes of this section, monthly sales means total dollars paid by buyers. The board may suspend or revoke the license of any wholesaler that violates this section.
- (5) The board may exempt a wholesaler from the limitations of subsection (4) of this section if it finds that the wholesaler distributes nonprescription drugs only through transactions between divisions, subsidiaries, or related companies when the wholesaler and the retailer are related by common ownership, and that neither the wholesaler nor the retailer has a history of suspicious transactions in precursor drugs as defined in RCW 69.43.035.
- (6) The requirements for a license apply to all persons, in Washington and outside of Washington, who sell both legend drugs and nonprescription drugs and to those who sell only nonprescription drugs, at wholesale to pharmacies, practitioners, and shopkeepers in Washington.

- (7)(a) No wholesaler may sell any ((quantity)) product containing any detectable quantity of ephedrine, pseudoephedrine, phenylpropanolamine, or their salts, isomers, or salts of isomers, to any person in Washington other than a pharmacy licensed under this chapter, a shopkeeper or itinerant vendor registered under this chapter, ((or)) a practitioner as defined in RCW 18.64.011, or a traditional Chinese herbal practitioner as defined in section 2 of this act.
- 9 <u>(b)</u> A violation of this subsection is punishable as a class C 10 felony according to chapter 9A.20 RCW, and each sale in violation of this subsection constitutes a separate offense.
- **Sec. 10.** RCW 18.64.047 and 2004 c 52 s 4 are each amended to read 13 as follows:

- (1) Any itinerant vendor or any peddler of any nonprescription drug or preparation for the treatment of disease or injury, shall pay a registration fee determined by the secretary on a date to be determined by the secretary as provided in RCW 43.70.250 and 43.70.280. The department may issue a registration to such vendor on an approved application made to the department.
- (2) Any itinerant vendor or peddler who shall vend or sell, or offer to sell to the public any such nonprescription drug or preparation without having registered to do so as provided in this section, is guilty of a misdemeanor and each sale or offer to sell shall constitute a separate offense.
- (3) In event the registration fee remains unpaid on the date due, no renewal or new registration shall be issued except upon compliance with administrative procedures, administrative requirements, and fees determined as provided in RCW 43.70.250 and 43.70.280. This registration shall not authorize the sale of legend drugs or controlled substances.
- 31 (4) An itinerant vendor may purchase <u>products containing any</u>
  32 <u>detectable quantity of</u> ephedrine, pseudoephedrine, or
  33 phenylpropanolamine, or their salts, isomers, or salts of isomers only
  34 from a wholesaler licensed by the department under RCW 18.64.046 or
  35 from a manufacturer licensed by the department under RCW 18.64.045.
  36 The board shall issue a warning to an itinerant vendor who violates

this subsection, and may suspend or revoke the registration of the vendor for a subsequent violation.

- (5) An itinerant vendor who has purchased <u>products containing any detectable quantity of</u> ephedrine, pseudoephedrine, or phenylpropanolamine, or their salts, isomers, or salts of isomers, in a suspicious transaction as defined in RCW 69.43.035, is subject to the following requirements:
- (a) The itinerant vendor may not sell any quantity of ephedrine, pseudoephedrine, or phenylpropanolamine, or their salts, isomers, or salts of isomers, if the total monthly sales of these products exceed ten percent of the vendor's total prior monthly sales of nonprescription drugs in March through October. In November through February, the vendor may not sell any quantity of ephedrine, pseudoephedrine, or phenylpropanolamine, or their salts, isomers, or salts of isomers, if the total monthly sales of these products exceed twenty percent of the vendor's total prior monthly sales of nonprescription drugs. For purposes of this section, "monthly sales" means total dollars paid by buyers. The board may suspend or revoke the registration of an itinerant vendor who violates this subsection.
- (b) The itinerant vendor shall maintain inventory records of the receipt and disposition of nonprescription drugs, utilizing existing inventory controls if an auditor or investigator can determine compliance with (a) of this subsection, and otherwise in the form and manner required by the board. The records must be available for inspection by the board or any law enforcement agency and must be maintained for two years. The board may suspend or revoke the registration of an itinerant vendor who violates this subsection. For purposes of this subsection, "disposition" means the return of product to the wholesaler or distributor.
- NEW SECTION. Sec. 11. The Washington association of sheriffs and police chiefs shall report to the legislature by December 1, 2006, regarding the frequency of use and effectiveness of the logs and video or electronic records required under section 3 of this act in the investigation and prosecution of controlled substances offenses.
- 35 <u>NEW SECTION.</u> **Sec. 12.** If any provision of this act or its

- 1 application to any person or circumstance is held invalid, the
- 2 remainder of the act or the application of the provision to other
- 3 persons or circumstances is not affected.
- 4 <u>NEW SECTION.</u> **Sec. 13.** This act takes effect January 1, 2006."

## <u>ESHB 2266</u> - S COMM AMD By Committee on Judiciary

On page 1, line 2 of the title, after "phenylpropanolamine;" strike the remainder of the title and insert "amending RCW 69.43.110, 69.43.120, 18.64.044, 18.64.046, and 18.64.047; adding new sections to chapter 69.43 RCW; creating new sections; prescribing penalties; and providing an effective date."

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